

MORVILLO, ABRAMOWITZ, GRAND, IASON, ANELLO & BOHRER, P.C.

ELKAN ABRAMOWITZ
RICHARD F. ALBERT
ROBERT J. ANELLO
LAWRENCE B. BAYNE
BARRY A. BOHRER
CATHERINE M. FOTI
PAUL R. GRAND
LAWRENCE IASON
STEPHEN M. JARIS
JUDITH L. MORIL
ROBERT S. MORVILLO
BARBARA MOSES
JOHN NEHER REIN
JONATHAN S. SACK**
EDWARD M. SPIRO
JEREMY H. TENDEN
JOHN J. TIGHE, JR.
BARBARA L. TRENCHER
CYRUS R. VANCE, JR.
RICHARD S. WENBERS

*ALSO ADMITTED IN CALIFORNIA AND
CONNECTICUT, D.C.
**ALSO ADMITTED IN CONNECTICUT

565 FIFTH AVENUE
NEW YORK, N.Y. 10017

TELEPHONE
(212) 856-9600

www.majlaw.com

FACSIMILE
(212) 856-9494

WRITER'S DIRECT DIAL
(212) 880-9400
rmorvillo@majlaw.com

COUNSEL
CHRISTOPHER J. MORVILLO
E. SCOTT MORVILLO
GREGORY MORVILLO
SENIOR ATTORNEY
THOMAS M. KEANE
MICHAEL C. SILVERBERG
1940-2008

September 5, 2008

BY HAND

FOIA CONFIDENTIAL
TREATMENT REQUESTED

Jeff S. Jordan, Esq.
Complaints Examinations & Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: MUR 6040

Dear Mr. Jordan:

We represent The Olnick Organization, Inc. ("Olnick") in connection with the above-referenced matter. We write in response to your July 18, 2008 letter requesting that Olnick provide you with certain information in connection with MUR 6040.

While Olnick neither owns nor controls Lenox Terrace apartments, in an effort to be cooperative, and with the consent of the entity owning the Lenox Terrace apartments, we have attempted to gather information concerning Congressman Charles B. Rangel's tenancy at Lenox Terrace apartments.¹ Since the Congressman has been a resident at Lenox Terrace going back to 1989, it has been difficult for us to ascertain all of the details of the relationship as old records are not readily available, recollections

¹ By virtue of overlapping family interests in Olnick and Fourth Lenox Terrace Development Associates, the entity which owns the apartment in question, Olnick has been able to ascertain the information contained herein.

RECEIVED
FEC MAIL CENTER
2008 SEP -5 PM 3:52

RECEIVED
FEC MAIL CENTER
2008 SEP -5 PM 4:12

12044312762

Jeff S. Jordan, Esq.
September 5, 2008
Page 2

FOIA CONFIDENTIAL
TREATMENT REQUESTED

have faded and some former employees are no longer accessible. Thus, while we believe that we have accurately recreated the surrounding circumstances which interest you, we reserve the right to alter or amend this response as more information becomes known.

Allegations

The National Legal and Policy Center ("NLPC") is a conservative non-profit corporation which purports to "foster and promote ethics in government and public life." In its complaint to the Federal Election Commission ("FEC") dated July 14, 2008, the NLPC makes a number of claims based primarily on hearsay averments contained in newspaper articles. In this response, Olinick will only address those allegations which appear to assert violations of Federal Election Law.

The NLPC's complaint claims that for many years Olinick has made illegal corporate contributions to Congressman Rangel's re-election campaign and his political action committee (hereinafter "committees") by leasing an apartment to Congressman Rangel at a reduced rent.² Relying almost exclusively on a July 11, 2008 article in The New York Times, the NLPC alleges that for the last ten years the committees have leased a rent stabilized apartment for use as the committees' offices, and, in doing so, have paid rent which is less than the non-stabilized market value of the rent for such apartment.³ The committees do so, according to the NLPC, despite the fact that New York State and New York City regulations require that rent-stabilized apartments be used as a primary residence only.⁴

Regulatory Framework

As set forth in more detail below, the NLPC's complaint is inaccurate. Olinick, a corporation organized under the laws of New York, is not the owner of and has no economic interest in Lenox Terrace. See Ex. 1. The owner of the apartment in

² The Federal Election Campaign Act of 1971, as amended (the "Act") prohibits corporations from making any contribution or expenditure in connection with a Federal election. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b). The Act and Commission regulations define the term contribution to include any gift of money or "anything of value" for the purpose of influencing a Federal election. 2 U.S.C. §§ 431(8)(A) and (9)(A); 11 C.F.R. § 100.52(a). Commission regulations provide that the term "anything of value" includes all in-kind contributions. The provision of goods and services, including facilities, equipment, and supplies, at less than the usual and normal charge for such goods and services is a contribution in the amount of the difference between the usual and normal charge and the amount charged the political committee. 11 C.F.R. § 100.52 (d)(1).

³ The NLPC complaint refers to the apartment building in question as Lenox Terrace. While not entirely accurate, for the sake of consistency, we similarly will refer to the building, 40 West 135th Street, New York, New York, as Lenox Terrace.

⁴ We believe that the complainant's reference to New York State and city regulations refers to New York Rent Stabilization Law and Rent Stabilization Code (collectively, "rent stabilization law").

12044312763

Jeff S. Jordan, Esq.
September 5, 2008
Page 3

FOIA CONFIDENTIAL
TREATMENT REQUESTED

question is Fourth Lenox Terrace Development Associates ("Fourth Lenox"), a general partnership organized under the laws of New York. See Ex. 2. Consequently, the landlord/tenant relationships cannot be attributed to Olnick. Olnick has never made a political contribution to Congressman Rangel's campaign or his political action committee.

Equally important is the fact that no like in-kind contribution was made by Fourth Lenox. First, Fourth Lenox is a general partnership and therefore not subject to the provisions of the federal election law relating to corporations.⁵ Second, Fourth Lenox is not precluded from leasing a rent stabilized apartment to any entity or organization. As discussed more fully below, the rent stabilized regulations permit, but do not require, owners of residential buildings in New York City to refuse to renew rent stabilized leases if the tenant is not using the apartment as a primary residence.

Facts

Congressman Rangel represents the 15th Congressional District of New York and has done so since January 1971. On or about November 17, 1988, Congressman Rangel and his wife, Alma Rangel, signed a two-year lease with Fourth Lenox to rent Lenox Terrace apartment 16N-P, a previously combined rent-stabilized apartment at 40 West 135th Street, New York, New York for the period of January 1, 1989 through December 31, 1990.⁶ Thereafter, they moved into the apartment and have lived there since, renewing their lease (typically for two year intervals) at the expiration of each prior lease. In 1997, Congressman Rangel began leasing apartment 16M, another rent stabilized apartment which is adjacent to apartment 16N-P for, what we have been informed, was additional family use. Thereafter, he continuously leased that apartment through the present.⁷

⁵ The Act prohibits corporations from making any contribution or expenditure in connection with a Federal election. 2 U.S.C. § 441b(a); 11 C.F.R. § 114.2(b). Contributions by persons whose contributions are not prohibited by the Act are subject to the limits set out in 2 U.S.C. § 441a. Contributions by partnerships are permitted, although limited by 2 U.S.C. § 441a(a), 11 C.F.R. §§ 110.1 (a)-(e) and (k)(1). Partnership contributions are attributed proportionately against each contributing partner's limit for the same candidate and election. See 11 C.F.R. § 110.1(e). No portion of a contribution drawn on a partnership account may be attributed to a partner who is prohibited from making contributions in connection with federal elections. See *id.*

⁶ As noted above, contrary to the NLFC's allegations, Lenox Terrace is not owned by Olnick. Lenox Terrace is an apartment complex which includes six residential properties. The six properties, in turn, are owned by six general partnerships. Each of the six partnerships owns one of these six properties, so a different entity owns each of the different developments. The building referred to in the complaint as Lenox Terrace, 40 West 135th Street, New York, New York, is owned by Fourth Lenox, a general partnership organized under the laws of New York.

⁷ Congressman Rangel is not the only Lenox Terrace tenant with more than one rent stabilized apartment.

12044312764

Jeff S. Jordan, Esq.
September 5, 2003
Page 4

FOIA CONFIDENTIAL
TREATMENT REQUESTED

In late July 1996, rent stabilized apartment 10U at Lenox Terrace became vacant. In October 1996, Congressman Rangel leased apartment 10U for a period of two years commencing on November 1, 1996. See Ex. 3. He has renewed the lease at the expiration of each prior lease paying the maximum rental increases permitted by law for rent stabilized apartments.

Although only Congressman Rangel's name appears on the lease for apartment 10U, at some time after November 1, 1996 Congressman Rangel's re-election campaign and political action committee started using the apartment as their offices. The current lease term for apartment 10U is set to expire on October 31, 2008, and Congressman Rangel has indicated that he will not seek renewal of the lease and will relocate the committees to another location.

Analysis

Apartment 10U was not Rented at a Reduced Rate

As noted above, Olnick does not own the apartment building referred to in the NLPC complaint as Lenox Terrace. The building, 40 West 135th Street, New York, New York, is owned by Fourth Lenox, a general partnership organized under the laws of New York. Accordingly, it was not Olnick's determination to rent Congressman Rangel or the committees the apartment and Olnick received no revenues from the apartment building. Moreover, under New York rent stabilization law, Apartment 10U was not rented to Congressman Rangel or the committees at a reduced rate. To the contrary, Apartment 10U was rented at the highest rent permitted for that apartment under the law. As such there was no in-kind contribution from any corporation or partnership entity to the committees.

In New York City, all apartments in buildings of six or more units built between February 1, 1947, and December 31, 1973 are subject to the rent stabilization laws.⁸ 9 NYCRR § 2520.11. These rent stabilization laws are a set of tenant protection measures designed to protect tenants' rights to continued occupancy of their apartments at the end of each lease term at limited rental rate increases prescribed by the rent stabilization law.⁹ See 9 NYCRR § 2524.4.1 (establishing lease renewal rights). The

⁸ Although there are limited exceptions to this, none are applicable here. As Lenox Terrace was constructed in 1957, all of the apartments in the Lenox Terrace buildings were originally subject to rent stabilization. Any apartments covered by the rent stabilization laws for which market rents are currently charged have been de-stabilized, a process that is explained below.

⁹ There is no income cap to rent these apartments. Indeed, anyone, regardless of income level, is eligible to rent a rent stabilized apartment. 9 NYCRR § 2520.6(d). In addition, tenants in rent stabilized apartments are entitled to automatic renewals of their leases so long as they pay the required rent. 9 NYCRR § 2524.1

12044312765

Jeff S. Jordan, Esq.
September 5, 2008
Page 5

FOIA CONFIDENTIAL
TREATMENT REQUESTED

term "rent stabilized" simply means that any increase in rent for a stabilized apartment must be in accordance with the Rent Guidelines Board's annual orders, which take effect on October 1 of each year. N.Y. Unconsol. Law § 26-510 (McKinney 2008). These orders cap the percentage by which a landlord may increase the tenant's rent each year, and, within the last five years, have run anywhere from 2.25% for a one year lease renewal to 7.5% for a two year lease renewal. See Ex. 4; Guide to Rent Increases for Stabilized Apartments in New York City, Part Sheet # 26, at <http://www.dhcr.state.ny.us/Rent/FactSheets/consfac26.htm> (Oct. 10, 2007). Accordingly, the so called market value of an apartment subject to rent stabilization is irrelevant to the amount of rent a landlord may lawfully charge the tenant. Rather, the maximum amount of rent chargeable by the landlord for a rent stabilized apartment must be based upon the amount of rent paid the previous year for the apartment, adjusted only by the percentage increase dictated by the Rent Guidelines Board's annual order.

There are several means by which landlords can increase rents of rent stabilized apartments outside of the yearly percentage increase set by the Rent Guidelines Board. For instance, under the current rent stabilization code, a landlord may increase the rent up to 20% when a tenant vacates, instead of just the yearly increase permitted by the Rent Guidelines Board.¹⁰ 9 NYCRR § 2522.8. This is known as a "vacancy increase." Further, if the previous tenant occupied the apartment for more than eight years, the landlord may add .6% of the previous tenant's monthly rent, multiplied by the number of years the previous tenant occupied the apartment, to the new tenant's monthly rent. 9 NYCRR § 2522.8(a)(2)(i). This increase is called a "long term vacancy" increase. In addition, a landlord has a right to make certain renovations (either specified in the rent stabilization law or approved by New York's Division of Housing and Community Renewal ("DHCR")) to vacant apartments. The landlord may then add one-fourth of the cost of the improvement to the next tenant's monthly rent. 9 NYCRR § 2522.4(a)(4). Landlords retain full discretion to make such improvements. 9 NYCRR § 2522.4(a)(1).

Under New York's rent stabilization law, rent stabilized apartments remain rent stabilized until they are deregulated. See N.Y. Unconsol. Law §§ 26-504.1 & 504.2 (providing for deregulation under enumerated circumstances). Apartments may be deregulated in several ways. For instance, when an apartment's monthly rent becomes \$2,000 or more and a current tenant moves out, the apartment automatically becomes destabilized, and the landlord can rent the apartment to a new tenant at any rate. See

¹⁰ The vacancy rate increase is 20% if the incoming tenant signs a two year lease. If the incoming tenant signs a one year lease, the vacancy rate increase is the difference between 20% and the difference between the percentage increases for one and two year leases set by the Rent Guidelines Board's annual order. 9 NYCRR § 2522.8. For instance, if the Rent Guidelines Board's annual order permitted a 5% increase in rent for a two year renewal lease, and a 3% increase in rent for a one year renewal lease, the vacancy rate increase for a new tenant signing a one year lease would be 18%. See *id.*

12044312766

Jeff S. Jordan, Esq.
September 5, 2018
Page 6

FOIA CONFIDENTIAL
TREATMENT REQUESTED

N.Y. Unconsol. Law § 26-504.2. In addition, as set forth above, a landlord may increase rent up to 20% when a tenant vacates, instead of the yearly increase permitted by the Rent Guidelines Board. 9 NYCRR § 2522.8. This means that if a tenant moves out, and an apartment's monthly rent will be more than \$2,000 after the vacancy increase, the apartment automatically will be deregulated. Finally, if an apartment's rent increases to over \$2,000 per month during the term of an active tenancy, and the landlord can prove that for the previous two years the tenant's income exceeded \$175,000, the landlord is permitted to refuse to renew the tenant's stabilized lease. N.Y. Unconsol. Law § 26-504.1. To deregulate an apartment in this way, the landlord must petition New York's Division of Housing and Community Renewal ("DHCR"), which will require the tenant to provide financial documentation concerning the tenant's income. N.Y. Unconsol. Law §§ 26-504.1; 9 NYCRR § 2531.3. DHCR will then determine whether the tenant's income exceeded \$175,000 for two consecutive years, and notify the landlord if the apartment will be deregulated as a consequence.¹¹ 9 NYCRR §§ 2531.3 & 2531.4. Once an apartment becomes deregulated it is permanently deregulated, and the landlord may charge any rate the market will bear. See N.Y. Unconsol. Law §§ 26-504.1 & 504.2 (defining housing that is not subject to rent stabilization law).

Although an apartment will remain rent stabilized until it is destablized, tenants who want to insure continuation of their automatic lease renewal rights under the rent stabilization laws must satisfy two requirements: (1) tenants must be individuals, and (2) tenants must use the apartment as a primary residence, which means that the tenant must live in the apartment for at least 183 days per year. 9 NYCRR §§ 2520.6(u) & 2524.4(c). Under the rent stabilization laws, a tenant's failure to comply with these requirements does not mean that the apartment automatically becomes destablized. See *id.* Nor does the law require a landlord to seek the eviction of a non-complying tenant from the rent stabilized apartment.¹² See 9 NYCRR § 2544.2. The law simply gives the landlord the option of not renewing the tenant's lease at the end of its lease term if the landlord can establish that the tenant does not meet the two above criteria.¹³ *Id.* Moreover, the landlord is under no affirmative obligation not to renew a lease for a non-compliant tenant, and may renew the lease without violating the law. *Id.* In short, the tenant's failure to comply with these two requirements only affects the tenant's right to demand a renewal of the lease, and imposes no positive responsibilities upon the landlord to refuse to renew a lease. *Id.*

¹¹ By contrast, the other two means of deregulating apartments do not require DHCR's involvement; the landlord simply states that the apartment is no longer stabilized during the annual apartment registration for stabilized apartments with DHCR.

¹² Indeed, while the rent stabilization laws are tenant protection measures, they do not place affirmative duties on landlords other than provide these protections to their rent stabilized tenants.

¹³ If a landlord chooses not to renew a non-compliant tenant at the end of a lease term and the tenant refuses to leave, the landlord must go to court to attempt to carry out the eviction.

12044312767

Jeff S. Jordan, Esq.
September 5, 2008
Page 7

FOIA CONFIDENTIAL
TREATMENT REQUESTED

Accordingly, the rent stabilization laws do not prevent a landlord from renting a rent stabilized apartment to a non-complying tenant, such as a corporate entity or a political campaign. See *id.* At the same time, however, unlike an individual tenant, a corporate entity or political campaign that leases a rent stabilized apartment will not have the automatic right to renew the lease. If the landlord chooses not to renew such a tenant's lease, the apartment will not become destabilized. Rather, the landlord must enter into a new rent stabilized lease with the subsequent tenant.¹⁴ An apartment becomes eligible for destabilization only through one of the procedures previously reviewed.

As discussed above, apartment 10U was vacant for several months before Congressman Rangel leased it.¹⁵ The last registered rent amount with DHCR for apartment 10U prior to Congressman Rangel renting the apartment was \$416.57. Congressman Rangel leased the apartment for \$498.57 per month.¹⁶ This amounts to an increase in rent of almost 20% from the previous tenant. This increase is attributable to two sources. First, the rent was increased by the maximum amount permitted for a new tenant that year. The maximum increase at the time was 16% — 9% for the vacancy increase and 7% for the annual increase for a two year lease. See Ex. 4. Second, the remaining almost 4% increase charged for apartment 10U resulted from what we believe were improvements made to the apartment after the previous tenant vacated the apartment. Accordingly, Congressman Rangel was not charged anything less than what could be legally charged for the apartment under the rent stabilization laws. To the contrary, Congressman Rangel was charged the maximum legal rental rate for the lease.

The rent charged for apartment 10U also has been increased by the maximum lawful amount in each of Congressman Rangel's renewal leases since 1998. For instance, in November 1998, the law permitted an annual increase of 4% for a two

¹⁴ Indeed, in the instant situation, apartment 10U will continue to be stabilized for the next tenant when the committee vacates on or before October 31, 2008.

¹⁵ Obviously the goal of all lessors is to have complete occupancy of buildings to maximize profit. Stable tenants who pay timely rents are desirable. Since there had been many non-payment eviction cases over the years at Lenox Terrace, Congressman Rangel was viewed as a good prospective tenant when the vacant apartment was rented to him.

In suggesting that the company should not have leased apartment 10U to Rangel because the committee were unable to use the apartment as their primary residence, the complaint implies that Fourth Lenox should have been deprived of the economic benefit of a tenancy for an apartment which it had been vacant for three months. The primary concern of Fourth Lenox is to fill apartments in the building and earn money from rentals. We have been informed that there was a vacancy rate at all times in Lenox Terrace. As a result of that, and since the apartment in question could not have been de-stabilized, there was no economic incentive for Fourth Lenox to reject the tenancy. Had it refused to rent to Congressman Rangel it would have suffered the consequences of a vacant apartment for an indeterminate period of time and then taken a risk of having a less responsible tenant.

¹⁶ While the initial lease calculated the rent at \$500.19, the rent was actually \$498.57. Accordingly, the rent for the year 2000 lease renewal is based on \$498.57.

12044312768

Jeff S. Jordan, Esq.
September 5, 2008
Page 8

FOIA CONFIDENTIAL
TREATMENT REQUESTED

year lease. The rent for apartment 10U was raised \$19.95, which is 4% of \$498.87. Likewise, in November 2000, the law permitted an annual increase of 6% for a two year lease. The rent for apartment 10U was raised \$31.13, which is 6% of \$518.82. See Ex. 5.¹⁷ In addition to raising the rent the maximum permitted under the law with every renewal lease, the rent for apartment 10U was increased whenever there was an improvement made to the apartment or the building as permitted by law.¹⁸ For example, in May 2004, among other things, a new roof was installed on the building. As a result, the rent for apartment 10U (and all of the other rent stabilized apartments in the building) was increased \$3.35 per month.

Although the provision of goods and services, including facilities, at less than the usual and normal charge for such goods and services can, in certain instances, be deemed a contribution in the amount of the difference between the usual and normal charge and the amount charged the political committee, see 11 C.F.R. § 100.52 (d) (1), as explained above, Congressman Rangel has never been charged a "significantly reduced rent" for apartment 10U (or any of his other apartments). Indeed, Congressman Rangel's rent for apartment 10U was never anything less than the maximum lawful rent. Since he was charged the same amount of rent that would have been required of any other tenant who would have rented apartment 10U, neither Congressman Rangel, nor his Campaign Committee, nor his Political Action Committee received any discount or other benefit on rates it charged for the rental of unit 10U. See 9 NYCRR § 2522.8 (establishing procedures for determining stabilized rent for new tenants). Indeed, the Congressman and the committees were treated no differently than any other tenant who would have rented apartment 10U or will rent the apartment in the future. See id. Accordingly, there was no in-kind contribution to Congressman Rangel's Candidate Committee or Leadership PAC and thus no violation of Federal Election Law.

Olnick Did Not Make Any Prohibited Corporate Contributions¹⁹

As previously stated, Olnick does not own the apartment building where 10U is located; rather it is owned by Fourth Lenox. Payments by the committees for 10U were deposited into an account for the benefit of Fourth Lenox.

¹⁷ As demonstrated in the lease renewal, the rent was raised 6% despite the fact that the lease renewal initially indicated that the increase was going to be 4%. This is because the renewal lease was drafted before October 1, 2000 when the cap was 4%. The tenancy, however, occurred after October 1, 2000 when the First Guidelines Board signed the leases for two year leases at 6%.

¹⁸ Such improvements are called major capital improvements. These improvements must be approved by the DHCR.

¹⁹ The complaint asserts that Sylvia Olnick made a \$2,000 contribution to Congressman Rangel's campaign in 2004 and a \$2,500 contribution to Congressman Rangel's political action committee in 2004 and 2006. These assertions are irrelevant as Sylvia Olnick, while a principal at Olnick, made these contributions from her personal account, and not from that of the corporation. They are also irrelevant because Sylvia Olnick is not a partner in Fourth Lenox, the owner of the building in question.

12044312769

MORVILLO, ABRAHAWITZ, GRAND, IASON, ANELLO & BOHNER, P.C.

Jeff S. Jordan, Esq.
September 5, 2008
Page 9

FOIA CONFIDENTIAL
TREATMENT REQUESTED

Fourth Lenox has seventeen general partners, none of whom are corporations.²⁰ Sixteen of the partners are individuals or trusts for the benefit of living individuals, who, we believe, are all U.S. citizens and eligible under federal election law to make contributions to influence federal elections. The seventeenth partner, ROC-Century Associates LLC, is a limited liability company that elects to be treated as a partnership by the Internal Revenue Service pursuant to 26 C.F.R. §§ 301.7701-3, and thus is eligible to contribute to federal elections as any other partnership. See 11 C.F.R. § 110(g)(2). Under the Act and Commission regulations, partnerships are not prohibited from making federal political contributions, subject to the contribution limits and prohibitions. See 11 C.F.R. §§ 110.1(a)-(e) and (k)(1).

Even if apartment 10U had been made available to the committees at less than the "usual and normal charge," this would not have resulted in a prohibited in-kind contribution from a corporation, because the apartment building is owned by Fourth Lenox, a general partnership, with individual partners who are eligible to make federal political contributions.²¹ However, as previously stated, there was no intent to give Congressman Rangel, Rangel for Congress or the National Leadership PAC any discount or other benefit, nor was any benefit given.

²⁰ The confidential and proprietary documents related to the partnership are available to you for inspection upon request.

²¹ We have conducted a search of publicly available databases detailing federal campaign contributions. To the best of our knowledge, none of the individual partners of Fourth Lenox contributed the maximum amount to the Congressman Rangel's PAC or Campaign Committee in the years 1997 through 2008 and thus to the extent the Fourth Lenox were to have made an in-kind contribution, there were individual partners to whom the partnership contribution could have been attributed. In fact, the only contributions found to the Rangel committees from Fourth Lenox partners during the years in question were as follows: Allison Lane Rubler \$1,000 on 3/31/2005 to Rangel for Congress; Meredith Lane Verona \$1,000 on 3/31/2005 to Rangel for Congress and \$500 on 9/14/2006 to National Leadership PAC; Nancy Olmick Sparks \$1,000 on 9/14/2006 to National Leadership PAC.

12044312770

MORVILLO, ABRAMOWITZ, GRAND, IASON, ANELLO & BOHRER, P.C.

Jeff S. Jordan, Esq.
September 5, 2008
Page 10

FOIA CONFIDENTIAL
TREATMENT REQUESTED

Conclusion

As set forth above, Olnick never made a direct political contribution or in-kind contribution to Congressman Rangel's campaign or his political action committee. Accordingly, Olnick has not violated the federal election law.

If you have any questions, please contact me at the above listed number.

Very truly yours,

Robert G. Morvillo / E.S.M.

Robert G. Morvillo

12044312771

IN RE: MUR 6040

EXHIBIT 1

12044312772

U.S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS

162 WASHINGTON AVENUE
ALBANY, NY 12231

FILING RECEIPT

CORPORATION NAME: THE OLNICK ORGANIZATION, INC.

DOCUMENT TYPE : INCORPORATION (DOM. BUSINESS)

COUNTY: NEWY

SERVICE COMPANY : CT CORPORATION SYSTEM

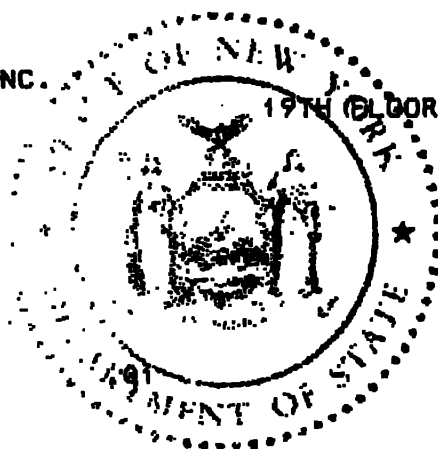
FILED: 02/01/1994 DURATION: PERPETUAL CASH #: 940201000405 FILM #: 94020100036

ADDRESS FOR PROCESS

THE OLNICK ORGANIZATION, INC.
80 MADISON AVENUE
NEW YORK, NY 10022

REGISTERED AGENT

STOCK: 200 PV



FILER	FEE	170.00	PAYMENTS	170.00
STROOCK & STROOCK & LAVAN	FILING :	125.00	CASH :	0.00
7 HANOVER SQUARE	TAX :	10.00	CHECK :	0.00
NEW YORK, NY 10004	CERT :	0.00	BILLED:	170.00
	COPIES :	10.00		
	HANDLING:	25.00	REFUND:	0.00

-1025 (11/89)

CERTIFICATE OF INCORPORATION

OF

The Olnick Organization, Inc.

(Under Section 402 of the Business Corporation Law)

940201000369

The undersigned, being a natural person of at least 18 years of age and acting as the incorporator of the corporation hereby being formed under the Business Corporation Law, certifies that:

FIRST: The name of the corporation is The Olnick Organization, Inc.

SECOND: The corporation is formed for the following purpose or purposes:

To engage in any lawful act or activity for which corporations may be organized under the Business Corporation Law, provided that the corporation is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

To have, in furtherance of the corporate purposes, all of the powers conferred upon corporations organized under the Business Corporation Law subject to any limitations thereof contained in this Certificate of Incorporation or in the laws of the State of New York.

THIRD: The office of the corporation is to be located in the County of New York, State of New York.

12044312774

12044312775

have treasury status, and any and all of such rights and options may be granted by the Board of Directors to such persons, firms, corporations and associations, and for such lawful consideration, and on such terms, as the Board of Directors in its discretion may determine, without first offering the same, or any thereof, to any said holder. Without limiting the generality of the foregoing stated denial of any and all preemptive rights, no holder of shares of any class of the corporation shall have any preemptive rights in respect of the matters, proceedings or transactions specified in subparagraphs (1) to (6), inclusive, of paragraph (e) of Section 622 of the Business Corporation Law.

SEVENTH: A director of the corporation shall not be personally liable to the corporation or its stockholders for damages for any breach of duty as a director, except for liability pursuant to a judgment or other final adjudication adverse to such director which establishes that his acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled or that his acts violated Section 719 of the New York Business Corporation Law. Neither the amendment nor repeal of this Article, nor the adoption of any provision of this

Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit or claim that, but for this ARTICLE, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

EIGHTH: Except as may otherwise be specifically provided in this Certificate of Incorporation, no provision of this Certificate of Incorporation is intended by the corporation to be construed as limiting, prohibiting, denying or abrogating any of the general or specific powers or rights conferred under the Business Corporation Law upon the corporation, upon its shareholders, bondholders and security holders, and upon its directors, officers and other corporate personnel, including, in particular, the power of the corporation to furnish indemnification to directors and officers in the capacities defined and prescribed by the Business Corporation Law and the defined and prescribed rights of said persons to indemnification as the same are conferred by the Business Corporation Law.

Subscribed and affirmed by me as true under the
penalties of perjury on January 31, 1994.



Lawrence T. Shepps, Incorporator
7 Hanover Square
New York, New York 10004

12044312777

120443127

ST 940201000369

CERTIFICATE OF INCORPORATION
OF
THE OLNICK ORGANIZATION, INC.
UNDER SECTION 402 OF THE BUSINESS CORPORATION LAW

Del

RECEIVED

FEB 10 10 16 AM '94

STROOCK & STROOCK & LAVAN
SEVEN HANOVER SQUARE
NEW YORK, NY 10004

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED FEB 01 1994

TAXES
BY:

P
C.U.
New York

FILED
FEB 10 1994
NEW YORK

940201000405

6

IN RE: MUR 6040

EXHIBIT 2

12044312779

THIS INDENTURE, made the 31st day of December, nineteen hundred and sixty-seven
BETWEEN FOURTH LENOX TERRACE CORP., a domestic corporation having
offices at 301 East 57 Street, New York, N. Y.,

party of the first part, and **FOURTH LENOX TERRACE ASSOCIATES**, a partnership, having offices at 301 East 57 Street, New York, N. Y.,

party of the second part,

WITNESSETH, that the party of the first part, in consideration of ten dollars and other valuable consideration

dollars,

Lawful money of the United States.

Figure 1

by the party of the second part, does hereby grant and release unto the party of the around part, the heirs or successors and assigns of the party of the second part forever,

**All that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate,
lying and being in the Borough of Manhattan, City, County and State of New York,
bounded and described as follows:**

BEGINNING at a point on the Southerly side of West 135th Street 172 feet 6 inches Easterly from the corner formed by the intersection of the Southerly side of West 135th Street with the Easterly side of Lenox Avenue.

Thence Easterly along the Southerly side of West 135th Street a distance of 202 feet 6 inches;

Thence southerly and parallel with the easterly side of Lenox Avenue a distance of 198 feet 10 inches;

Thence Westerly and parallel with the Southerly side of West 135th Street a distance of 55 feet 0 inches;

Thence Southerly and parallel with the Easterly side of Lenox Avenue a distance of 60 feet 0 inches;

Thence Easterly and parallel with the southerly side of W at 135th Street a distance of 15 feet 0 inches;

Thence Southerly and parallel with the Easterly side of Lenox Avenue a distance of 214 feet 10 inches;

Thence Northerly and parallel with the Southerly side of West 135th Street a distance of 77 feet 0 inches;

Thence Northerly and parallel with the Easterly side of Leno Avenue a distance of 202 feet 8 inches;

Thence Westerly and parallel with the Southerly side of West 135th Street a distance of 85 feet 6 inches;

Thence Northerly and parallel with the Easterly side of Lenox Avenue a distance of 272 feet to the point or place of Beginning.

The sale of the aforementioned property has been authorized in by vote less than the holder of two-thirds (2/3rds) of the stock of the party of the first part entitled to vote thereon.

REC. 273 MAR 244

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any street and roads abutting the above described premises to the center lines thereof.

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises,

TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.
IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

In presence of

Robert S. Olinick

FOURTH LENOX TERRACE CORP.,

By:

Robert S. Olinick

Robert S. Olinick, President



12044312782

STATE OF NEW YORK, COUNTY OF

On the day of 19 , before me personally came

to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that executed the same.

STATE OF NEW YORK, COUNTY OF

On the day of 19 , before me personally came

REC. 273 PAGE 245

to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that executed the same.

STATE OF NEW YORK, COUNTY OF NEW YORK

On the 31 day of December 1967, before me personally came ROBERT S. OLWICK to me known, who, being by me duly sworn, did depose and say that he resides at No. 200 Central Park South, New York, N. Y. that he is the President of FOURTH LENOX TERRACE CORP.,

the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said corporation, and that he signed his name thereto by his order.

STATE OF NEW YORK, COUNTY OF

On the day of 19 , before me personally came the subscribing witness to the foregoing instrument, with whom I am personally acquainted, who, being by me duly sworn, did depose and say that he resides at No. that he knows

to be the individual described in and who executed the foregoing instrument; that he, said subscribing witness, was present and saw execute the same; and that he, said witness, at the same time subscribed his name as witness thereto.

LEONARD B. JAC

NOTARY PUBLIC STATE OF NEW YORK
NO 045404514

QUALIFIED IN KING COUNTY
CERTIFICATE FILED IN KING COUNTY
COMMISSION EXPIRES 12/31/69

Borgata and State Street

WITHOUT COVENANT AGAINST GRANTOR'S ACTS

TITLE No. A-7163

SECTION

BLOCK 1730

LOT 64

COUNTY OR TOWN N. W. York

FOURTH LENOX TERRACE CORP.,

TO

FOURTH LENOX TERRACE ASSOCIATES

1905

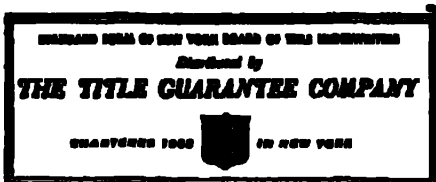
A-7163

Recorded At Request of The Title Guarantee Company
RETURN BY MAIL TO

NO.

Olwick & Saltzer, Esqs.
301 East 57 Street
New York, N. Y.

By No. 10022



RESERVE THIS SPACE FOR USE OF RECORDING OFFICE

31 DEC 1967

OFFICE OF CITY REGISTER

New York County

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

PAGE 64

FILED IN

BOOK 1730

575

TURN RPT #

IN RE: MUR 6040

EXHIBIT 4



The City of New York Rent Guidelines Board
51 Chambers Street, Suite 202
New York, NY 10007 • 212-385-2934 • email: ask@housingnyc.com • web address: housingnyc.com

Chairman: Marvin Marcus
Executive Director: Andrew McLaughlin

Rent Guidelines Board Apartment Orders #1 through #39 (1969 to 2008)

Order Number	Lease Starting Between	One Year	Two Years	Three Years	Monthly Rent Increase	Electrical Installation	Separate Subletting	Fair Market Rent Guidelines for Previously Controlled Units
39	10/1/07 to 9/30/08	3%	4.75%	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
38	10/1/05 to 9/30/07	4.25% ² 3.75% ³	-	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
37	10/1/03 to 9/30/05	2.75% ² 2.5% ³	-	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
36	10/1/01 to 9/30/03	3.5% ² 3% ³	-	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
35	10/1/00 to 9/30/01	4.5% ²	-	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
34	10/1/02 to 9/30/03	2% ²	-	-	-	None	None	Greater of MBR + 50% or HUD's Fair Market Rent ¹
33	10/1/01 to 9/30/02	4% ²	-	-	-	None	None	Greater of MBR + 150% + Fuel Adjustments or HUD's Fair Market Rent ¹
32	10/1/00 to 9/30/01	4% ² (Rent <\$215, add \$15)	-	-	-	None	None	Greater of MBR + 150% + Fuel Adjustments or HUD's Fair Market Rent ¹
31	10/1/99 to 9/30/00	2% ² (Rent <\$300, add \$25)	-	-	-	None	None	Greater of MBR + 150% + Fuel Adjustments or HUD's Fair Market Rent ¹
30	10/1/98 to 9/30/99	2% ² (Rent <\$450, add \$40)	-	-	-	None	None	Greater of MBR + 80% + Fuel Adjustments or \$650
29	10/1/97 to 9/30/98	2% ² (Rent <\$400, add \$30)	-	-	-	None	None	Greater of MBR + 40% + Fuel adjustment or MCR + 50% + Fuel Adjustment
28	10/1/96 to 9/30/97	5% ² (Rent <\$400, add \$20)	-	-	-	None	None	Greater of MBR + 40% + Fuel adjustment or MCR + 50% + Fuel Adjustment